

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of

RAYSOL VILLALOBOS, a/k/a RAY GALVAN,
a former institution-affiliated party of

FROST BANK,
San Antonio, Texas, a state-member bank.

Docket Nos. 18-014-E-I
18-014-CMP-I
18-014-B-I

Order of Prohibition and Cease-and-Desist Order Issued Upon Consent Pursuant to Sections 8(b) and 8(e) of the Federal Deposit Insurance Act, as Amended

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”), pursuant to sections 8(b) and 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. §§ 1818(b) & (e), issues this Order of Prohibition and Cease-and-Desist Order Requiring Restitution or Reimbursement (this “Order”) upon the consent of Respondent Raysol Villalobos, a/k/a Ray Galvan (“Villalobos”), a former institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of Frost Bank (the “Bank”), a state-member bank;

WHEREAS, on March 20, 2018, the Board of Governors issued a Notice of Intent to Prohibit, Notice of Intent to Issue Cease-and-Desist Order Requiring Restitution or Reimbursement, and Notice of Assessment of a Civil Money Penalty Pursuant to Section 8 of the FDI Act, alleging, among other things, that: (1) between December 9, 2015, and December 17, 2015, while a personal banker at the Bank, Villalobos misappropriated approximately \$31,712 from a Bank customer’s safe deposit box; (2) Villalobos’ conduct caused the Bank to suffer a financial loss in the amount of \$35,000, and posed legal and reputational risks to the Bank; and

(3) Villalobos' conduct constituted a violation of law and unsafe or unsound banking practices;
and

WHEREAS, by affixing his signature hereunder, Villalobos has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 263, or otherwise: (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (b) to obtain judicial review of this Order or any provision hereof; and (c) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, before the final adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settling this matter without the necessity for protracted or extended litigation,

IT IS HEREBY ORDERED that:

1. Villalobos, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

- a. participating in any manner in the conduct of the affairs of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;

- b. soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);
- c. violating any voting agreement previously approved by any Federal banking agency; or
- d. voting for a director, or serving or acting as an institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. Villalobos shall surrender and release, and execute the documents necessary to effect such surrender and release of, the \$18,700 in funds seized from his safe deposit to the Bank as restitution.

3. All communications regarding this Order shall be addressed to:

- a. Richard M. Ashton, Esq.
Deputy General Counsel
Patrick M. Bryan, Esq.
Assistant General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551

- b. Raysol Villalobos

with a copy to:

Ms. Jo Ellen Hewins, Esq.
2601 Morgan Ave.
Corpus Christi, TX 78405

4. Any violation of this Order shall separately subject Villalobos to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C. §§ 1818(i) and (j).

5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Villalobos; provided, however, that the Board of Governors shall not take any further action against Villalobos on any matters concerning or arising from the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 25th
day of January, 2019.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Raysol Villalobos
Raysol Villalobos

By: /s/ Ann E. Misback
Ann E. Misback
Secretary of the Board